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SUBJECT: BELARUS BI-WEEKLY POL/ECON REPORT - MAY 8, 2009

MINSK 00000146 001.2 OF 003

¶1. The following are brief items of interest compiled by
Embassy Minsk.

TABLE OF CONTENTS

Civil Society

- "Chernobyl March" Marked by Detentions, Raid (para. 2)
- "Solidarity" Demonstrations Dispersed (para. 3)
- BKGB Harasses Families of Opposition Youth (para. 4)
- Opposition Activist Jailed (para. 5)
- Opposition Youth Fined (para. 6)

Domestic Economy

- Lukashenka and Berlusconi Discuss Economic Cooperation (para. 7)
- Lukashenka and Yushchenko Meet in Gomel (para. 8)
- Economy Minister: Russia Treats Belarusian Products Unfairly (para. 9)
- National Bank Chairman Optimistic About National Currency and Reserves (para. 10)
- Belarus Sees Record-High First Quarter Trade Deficit (para. 11)

Quotes of the Week (para. 12)

Civil Society

¶2. "Chernobyl March" Marked by Detentions, Raid

Although the April 26 "Chernobyl March" took place in Minsk without incident, in the days preceding the event, there were numerous detentions reported in the regions. In Vitebsk, approximately seven activists were detained and searched April 26. A Narovlya district court sentenced April 24 United Civic Party activist Andrey Tolchyn to five days in jail for distributing leaflets about the March. Police in Minsk apprehended April 26 Belarusian Christian Democracy Party leader Denis Sadovskiy an hour before the demonstration, confiscated his flag poles and released him three hours later without charge. In a separate incident on April 26, police raided offices of the Charter97 human rights group, impeding their live coverage of the demonstration.

¶3. "Solidarity" Demonstrations Dispersed

Riot police have forcefully dispersed demonstrations of "solidarity" with three Volkovysk activists, Nikolay Avtukhovich, Yuriy Leonov and Vladimir Osipenko, in downtown Minsk taking place daily since May 1. Over 50 opposition youth protested the "politically-motivated" arrests outside the

holding facilities and on October Square on May 1, and several demonstrators were reportedly assaulted. The GOB dispersed May 5 another rally in downtown Minsk using sprinklers and other street-cleaning machines. Despite such intimidation that day, over 40 youth and prominent opposition leaders assembled at the Square to call for the release of the activists. In addition, Malady Front activists initiated hunger strikes on May 4 to protest the arrests and in support of Nikolay Avtukhovich's hunger strike in prison since April 16.

14. BKGB Harasses Families of Opposition Youth

Belarusian KGB officers raided and filmed the residential premises of Malady Front (MF) leader Zmitser Dashkevich's family in the town of Starye Dorogi on April 24. In a separate incident, they questioned April 25 MF activist Vadim Khonyavko's father at his workplace. The BKGB agents reportedly told him they were making a documentary featuring stories about the parents who are "not being pleased their children have been recruited" into the MF.

15. Opposition Activist Jailed

On April 26, a Lida district court sentenced opposition youth activist Evgeniy Skrebets to one day in jail over an anti-nuclear protest. Police arrested Skrebets and his two associates, Anna Bunko and Evgeniy Rudiy, on April 25 when they were distributing leaflets about GOB plans to construct a nuclear power plant. Bunko and Rudiy were charged and soon released, while Skrebets served one day in jail for violating regulations governing mass events.

16. Opposition Youth Fined

A Minsk district court fined opposition youth activist Sergey Klyuiev USD 60 on May 4. Police apprehended the activist on February 23 in downtown Minsk as he was posting a banner against

MINSK 00000146 002.2 OF 003

forceful military conscriptions.

Domestic Economy

17. Lukashenka and Berlusconi Discuss Economic Cooperation

The Presidential press service reported April 29 that during his April 26-28 travel to Italy and the Vatican, Lukashenka met with Italian Prime Minister Berlusconi to discuss economic cooperation, among other things. The parties reportedly noted the proximity of their stances on the global financial crisis. Attempting to secure more Italian investment in his country, Lukashenka provided Berlusconi a list of major Belarusian investment projects and invited him to visit Belarus, though he suggested that major Italian business people come first. Italy was Belarus' eighth largest trade partner outside the CIS in 2008 (USD 1.2 billion) with the total investment of USD 4.7 million and direct investment close to USD 3.3 million.

18. Lukashenka and Yushchenko Meet in Gomel

According to media reports, the Belarusian and Ukrainian presidents met in the city of Gomel May 6 to discuss bilateral relations, regional policies and cooperation under the Eastern Partnership program. Supplies of Ukrainian electric energy to and its transit through Belarus topped the agenda. The parties also discussed supplies of Caspian oil to Ukraine, Belarus and the EU and agreed that the Ukrainian and Belarusian premiers will meet in late May to finalize these and other outstanding issues.

19. Economy Minister: Russia Treats Belarusian Products Unfairly

At a news conference May 5, Economy Minister Nikolai Zaichenko lashed out at Russia for unfair treatment of Belarusian products

on its territory. In particular, he criticized the Russian Agriculture Ministry, which subsidizes sales of Russian-made agricultural machinery on its territory and does not do the same for Belarusian machinery. The Minister claimed that the GOB treats Russian and Belarusian products equally and subsidizes their sales in Belarus accordingly. Thus far, only 40 types of Belarusian-made products have received preferential treatment in Russia if and when purchased for state needs. Equal access for other Belarusian products is still negotiated.

10. National Bank Chairman Optimistic About National Currency and Reserves

According to media reports, Chairman of the Board of the National Bank Pyotr Prokopovich told a news conference April 30 that the Bank will not widen the five percent corridor of fluctuation of Belarusian ruble (BYR) against the basket of currencies (USD, Euro and Russian ruble) and may even narrow it in the second quarter. He also ruled out the possibility of another one-time sharp devaluation of the BYR. He further claimed that the state of the economy gives the Bank reason to believe that the country's gold and hard currency reserves will grow from USD 3.66 billion early this year to USD 5.8-7.8 billion by the year's end. Prokopovich asserted that the GOB and National Bank fully comply with the IMF-required figures for the country's net domestic assets and deficit-free budget but fell just USD 210 short of only one IMF requirement - the net international reserves. He opined that this will not impair Belarus' future cooperation with the IMF.

11. Belarus Sees Record-High First Quarter Trade Deficit

The National Statistics Committee told Prime-TASS news agency April 30 that the country's first quarter trade deficit sky-rocketed from USD 754 million last year to USD 1.86 billion this year. January-March exports fell on the year 49 percent to USD 4.1 billion, while imports decreased 32 percent to USD 6 billion. The breakdown of the country's first quarter trade was the following: the CIS comprised 55.2 percent (including Russia - 47.7 percent), and countries outside the CIS were 44.8 percent. Last year's numbers were CIS - 58.3 percent (Russia - 49.5 percent) and non-CIS - 41.7 percent, respectively.

Quotes of the Week

12. Commenting on his April 27 meeting with the Pope Benedict XVI, Lukashenka told Reuters news agency May 4:

"[The Pope] did not forget that I came with my little son and said he would like me to invite the boy. This was another reason for me to say that [the Pope] is God's man. "

At the May 6 Media Exhibition 2009 opening, First Deputy Head of the Presidential Administration, Natalia Petkevich, said:

MINSK 00000146 003.2 OF 003

"The fact that a large assortment of foodstuff and other goods is available at stores is secondary. It is of paramount importance that we are able to see the sun and take joy in it, peacefully walk around the streets and raise our children. We must not take peace for granted but should appreciate every moment of it, every step taken by authorities for the sake of their people."

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